

**ORDINANCE NO. 13
SERIES 2010**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, ADOPTING AN ADDITIONAL APPROPRIATION FOR THE FISCAL YEAR ENDING DECEMBER 31, 2010.

WHEREAS, the City of Gunnison contracted with Rural Health Plans Initiative to provide employee health insurance from October 1, 2009 to December 31, 2010; and

WHEREAS, the City of Gunnison had made timely premium payments on all health insurance premiums due to Rural Health Plans Initiative; and

WHEREAS, the City of Gunnison has been notified that Rural Health Plans Initiative filed Chapter 7 Bankruptcy with the United States Bankruptcy court, District of Colorado, on November 23, 2010; and

WHEREAS, the City of Gunnison purchased additional health insurance for the month of November for its employees, even though premiums had already been paid to Rural Health Plans Initiative; and

WHEREAS, the health insurance premiums paid to Colorado Employers Benefit Trust for the month of November totaled \$49,381; and

WHEREAS, the City of Gunnison desires to pay 100% of the additional November premiums out of cash reserves of funds in which the covered employees are employed; and

WHEREAS, the City of Gunnison has contracted with Caplan and Earnest, LLC, a law firm who is representing clients who had contracted with Rural Health Plans Initiative, to assist the City of Gunnison with addressing issues related to health insurance coverage; and

WHEREAS, the City of Gunnison anticipates the legal fees associated with Caplan and Earnest, LLC will not exceed \$6,000 for fiscal year 2010; and

WHEREAS, the City of Gunnison desires to enter into an agreement with a third party administrator to process the unpaid claims from October, 2009, to October, 2010; and

WHEREAS, the City of Gunnison anticipates the set-up fees to contract with the third party administrator to be \$1,500.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, THAT:

- 1) Additional funds in the amount of \$26,438 be appropriated in the General Fund to cover November 2010 health insurance premiums;
- 2) Additional funds in the amount of \$2,168 be appropriated in the Internal Service Fund, fleet division to cover November 2010 health insurance premiums;
- 3) Additional funds in the amount of \$17,690 be appropriated in the Enterprise Fund to cover November 2010 health insurance premiums in the electric division (\$3,161), in the water division (\$1,687), in the wastewater division (\$4,765), in the refuse division (\$2,116), and in the communications division (\$5,961);
- 4) Additional funds in the amount of \$3,085 be appropriated in the Park and Recreation Fund to cover November 2010 health insurance premiums in the pool division (\$2,377), and in the rink division (\$708); and
- 5) Funds in the amount of \$7,500 be transferred from the General Fund to the Insurance Reserve Fund, and appropriated in the Insurance Reserve Fund to cover attorney fees (\$6,000), and to cover third party administrator fees (\$1,500).

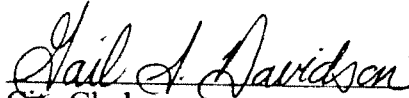
INTRODUCED, READ, PASSED AND ORDERED PUBLISHED this 14th day of December, 2010, on first reading, and introduced, read, and adopted on second and final reading this 28th day of December, 2010.



Mayor

SEAL:

ATTEST:



City Clerk

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